Michelle Ellison, Chief Enforcement Bureau Federal Communications Commission 445 12th Street, SW Washington, DC 20554

Re:

Request for Confidential Treatment, Pursuant to Section 0.459 of the Commission's Rules, of portions Sandra DePriest's Response to Letter of Inquiry and All Exhibits to that Response

Response to Letter of Inquiry File No. EB-09-IH-1751

#### Dear Chief Ellison:

Sandra M. DePriest and Maritime Communications/Land Mobile, LLC (collectively, MCLM) respectfully request confidential treatment, pursuant to 47 C.F.R. §0.459 of the Commission's Rules for the third paragraph at page 5 of MCLM's Response to the Enforcement Bureau's letter dated February 26, 2010, which begins "Mr. DePriest is Chairman. . . ." MCLM also requests confidential treatment for Exhibits 1 through 13, including all subparts, to MCLM's Response to the Enforcement Bureau's letter dated February 26, 2010. MCLM requests confidential treatment of the Exhibits in their entirety.

The third paragraph at page 5 of MCLM's Response includes strategically sensitive commercial data MCLM which would not customarily release to the public. The Exhibits merit confidential treatment because they address strategically sensitive matters, including specific commercial and financial information. MCLM would not customarily release this type of sensitive information to the public and believes that exposure of the specific business arrangements or its financial information is unwarranted. Such release could result in substantial competitive harm by placing MCLM at a disadvantage vis-a-vis other telecommunications service providers specifically and against the private mobile radio service industry in general. In short, the Exhibits contain the type of commercial and financial information "which would customarily be guarded from competitors" and therefore should not be made routinely available for inspection. There is no reasonably segregable information which could be released without competitive harm to MCLM.

See, 47 C.F.R. §0457(d)(2), which provides that "if it shown in the request that the materials contain trade secrets or commercial, financial or technical data which would customarily be guarded from competitors, the materials will not be made routinely available for inspection. . . ."

MCLM has continuously afforded the information contained in the Exhibits highly confidential treatment and has, until now, restricted distribution to personnel within MCLM and to legal counsel for MCLM. These precautions emphasize MCLM's intent that the contents of the Exhibits not be released to third parties.

For all the foregoing reasons, MCLM requests that the Exhibits, in their entirety, be withheld from public inspection under the Freedom of Information Act pursuant to 5 U.S.C. §552(b)(4).

Thank you for your attention to this matter.

MARITIME COMMUNICATIONS/ LAND MOBILE, LLC

Dennis C. Brown, Counsel to MCLM

8124 Cooke Court, Suite 201 Manassas, Virginia 20109-7406

703/365-9437

Dated: March 29, 2010

# DENNIS C. BROWN ATTORNEY AT LAW 8124 COOKE COURT, SUITE 201 MANASSAS, VIRGINIA 20109-7406

Phone 703/365-9437 D.C.BROWN@att.net Fax 703/365-9456 Not Admitted in Virginia

March 29, 2009

Marlene H. Dortch, Secretary Federal Communications Commission 445 12th Street, SW Washington, DC 20554

Attention: Chief, Enforcement Bureau

Re: Response to Letter of Inquiry File No. EB-09-IH-1751

Dear Secretary Dortch:

I represent the radio system interests of Sandra M. DePriest and of Maritime Communications/Land Mobile, LLC (collectively, Mrs. DePriest) before the Federal Communications Commission. On behalf of Mrs. DePriest, I am filing herewith her Response to the Enforcement Bureau's letter of inquiry dated February 26, 2009 in File No. EB-09-IH-1751.

Please direct any questions concerning this filing to me. Thank you for your attention to this matter.

Very truly yours,

Dennis C. Brown

# The Reverend Sandra DePriest 510 Seventh Street North Columbus, Mississippi

662-328-2017; 652-574-1972 (cell); sdepr(a)aol.com

March 29, 2010

Marlene H. Dortch, Secretary Federal Communications Commission 445 12th Street, S.W. Room TW-A325 Washington, D.C. 20554

Attention: Brian J. Carter, Investigations and Hearing Division. Enforcement Bureau, Room 4-C330

> Re: Applications of Maritime Communications/Land Mobile, LLC for Automated Maritime Telecommunications System Licenses and to Participate in FCC Auction No. 61 File No.: EB-09-IH-1751

Dear Mr. Carter,

This letter is in response to your follow-up letter of inquiry seeking additional information and documentation with regard to Maritime Communications/Land Mobile, LLC ("Maritime") in support of your investigation of its compliance with Sections 1.2110, 1.2112, 1.17 and 1.65 of the Commission's Rules, 47 C.F. R. Sec, 1.2110, 1.2112, 1.17 and 1.65 in its application to participate in FCC Auction No. 61 and in subsequent filings with the Commission.

1. Identify all officers, directors, shareholders, partners, and beneficial owners of Maritime since January 1, 2002 and provide the dates upon which such individuals secured their respective positions with Maritime.

Maritime was formed on February 15, 2005. Accordingly, Maritime had no officer, director, shareholder, partner, or beneficial owner before that date. The Managing Member of Maritime is S/RJW Partnership, L.P ("S/RJW"). The Certificate of Partnership was originally filed with the Secretary of State of Delaware on November 21, 2002, a copy of which is attached as Exhibit 2(i). Communications Investments, Inc. was substituted for Medcom Development Corporation, ("Medcom") as the General Partner of S/RJW, effective February 15, 2005, which action was filed as a matter of notice as part of the loan transaction with Pinnacle Bank, with the Secretary of State of Delaware on August 24, 2005, a copy of which document as file stamped by the Secretary of State

of Delaware is attached as Exhibit 2(ii). Communications Investments, Inc. has continued as the General Partner of S/RJW to the present date. I own 100% of the Common Stock of Communications Investments, Inc. and have from the time the stock was transferred to me by Don DePriest on February 18, 2005. I have also remained the President, Secretary and sole director of Communications Investments, Inc. since Don DePriest resigned as President and Director of what was a shell corporation since 1998.

Officers and Directors: At all times since the formation of Maritime, I have considered myself to be the sole elected officer and director of Maritime. As an LLC, I believed that the titles given to the employees were unofficial employee titles. On January 6, 2006, I executed Minutes which are attached hereto as Exhibit 1(viii), in which I gave titles which I termed in the minutes to be "as employees" titles to John Reardon, Chief Executive Officer, to Robert "Tim" Smith, Vice-President, and to Belinda Hudson, Treasurer. I did not consider any of these persons to be "Corporate Officers," but employees. I did not see the CEO as a corporate officer, just as the CFO is not always the corporate treasurer. There was no intent to deceive as I disclosed openly in my original LOI Responses to the FCC that John Reardon was the CEO, but he is not a President, Vice-President, Secretary or Treasurer. He is not a shareholder and does not participate in Board meetings or authorization of loans or other major company decisions. He functions as an operations manager. Nor does Tim Smith participate in Board Meetings or decisions, and he functions as the Chief Engineer.

John Reardon was never authorized to use the title "President," and he has been instructed not to do so in the future. I had no intent to deceive the Commission in these choices of employee titles and I trust that the Commission was not deceived.

Maritime Shareholders, partners and beneficial owners since January 1, 2002: Maritime was formed on February 15, 2005. S/RJW has at all times been the Managing Member of Maritime. All of the membership interests in Maritime were owned by S/RJW Partnership, L.P., until 2008, when 22 of 1,000 partnership units were issued to an outside party.

All of the Partnership shares of S/RJW are owned by me. The General Partner of S/RJW, L.P. is Communications Investments, Inc. and, since February 18, 2005, I have owned 100% of the stock of Communications Investments, Inc. No interests have been issued to Mr. DePriest from inception to date.

<sup>&</sup>lt;sup>1</sup> A Corporate version of that document, identical in text, was signed by me on February 18, 2005 and was filed with the Corporate records at that time. The difference in these two documents is simply that the original copy filed with the Delaware Secretary of State was kept with the Legal file in the office of the attorney, and one was a Corporate copy executed by me. I had not seen the original filed with the Secretary of State and the attorney did not have a copy of my original in his file.

<sup>&</sup>lt;sup>2</sup> As disclosed in the LOI, as an oversight, we neglected to show the change in President with the Mississippi Secretary of State until 2008.

<sup>&</sup>lt;sup>3</sup> Correction: It has come to my attention in the detailed review of the minutes of the meetings of Maritime that I need to correct a statement made in my earlier LOI responses. In reviewing the minutes, I see that Belinda Hudson was indeed authorized to sign as Treasurer in the January 6, 2006 minutes of Maritime authorizing her to sign as Treasurer, Exhibit I(viii) hereto, as well as in the minutes of Maritime of March 10, 2009 in the opening of a bank account, Exhibit I(x) hereto.

From time to time over the last five years, warrants to purchase units of the 1,000 units of Maritime have been granted, most of which have expired. A list of the warrants is attached as Exhibit 7. We request confidential treatment of this information.

John Reardon's modified employment agreement dated May 28, 2008, and attached as Exhibit 6 (b), provides for Mr. Reardon to receive a 10% share of the Company in lieu of other compensation upon termination of his employment other than for cause. As such he could be considered a beneficial owner of the Company.

2. Provide a copy of all corporate documents of Maritime, including but not limited to, any articles, bylaws, operating agreements, and minutes of all meetings held during the relevant period.

The Corporate organization Documents, Minutes and operating agreements are provided as Exhibit 1 (i-x), Exhibit 2 (i-vi) and Exhibit 3.

3. Identify John Reardon and describe fully his relationship to Maritime.

As set forth in the attached Declaration of Dave Predmore, attached as Exhibit 4, from 2000 to 2005, John Reardon was President and CEO of Mobex Communications, Inc. and its subsidiary Mobex Network Services, LLC ("Mobex"), a company whose assets were acquired by Maritime on December 30, 2005. A list of the assets of Mobex acquired by Maritime is set forth in the Asset Purchase Agreement entered into in May. 2005, and is attached as Exhibit 5. The license assignment to Maritime was approved by the FCC in November, 2005. Maritime closed that transaction on December 30, 2005. John Reardon was hired as an employee on January 1, 2006, a few days after the Mobex closing on December 30, 2005. At no time was John Reardon simultaneously an employee of Mobex and Maritime. On January 6, I executed minutes authorizing him to serve as CEO, basically as the operations manager of Maritime and he has done so since that time. A copy of his employment agreement dated September 18, 2006, and amended on May 28, 2008 is attached as Exhibit 6 (a) & (b). Confidential treatment is requested for salary and other compensation matters. He is not a shareholder and is paid a base salary plus a commission on sales of Maritime above a certain level. As an employee, he receives a salary, health benefits, and like other employees, is eligible to participate in the 401 (k) program.

4. Specify the date that John Reardon became an officer of Maritime and specify all titles and positions held by him, Provide a copy of all documents authorizing his appointed positions.

While I have not considered John Reardon to be a corporate officer of Maritime, but an employee in the nature of a General Manager, but called a "CEO," he became the designated CEO on January 6, 2006. Exhibit 1(viii) is a copy of the minutes of a meeting held "for the purpose of designating titles for persons who have joined MCLM as employees upon conclusion of the purchase of all of the assets of Mobex Network Services, Inc. These employees are designated as authorized signers on behalf of

<sup>&</sup>lt;sup>4</sup> Daye Predmore references a letter to the FCC dated January 29, 2007 setting forth these same facts.

MCLM." A copy of his employment contract dated September 18, 2006, and amended on May 28, 2008, is enclosed as Exhibit 6(a) and (b). We request confidential treatment of these documents.

5. In the Maritime LOI Response (at page 2), Maritime indicated that John Reardon serves as its Chief Executive Officer. Our records indicate that Maritime did not disclose John Reardon in its application to participate in Auction No. 61 (FCC Form 175) or in subsequent filings with the Commission. Explain fully why Maritime did not identify John Reardon as its Chief Executive Officer in its application to participate in Auction No. 61 (FCC Form 175) and in subsequent filings with the Commission, including but not limited to, Maritime's application for Automated Maritime Telecommunications System licenses (FCC Form 601).

John Reardon has never been an officer of Maritime. Maritime did not include John Reardon as CEO for each of the following requested circumstances for the reasons set forth:

- a. Regarding participation in Auction 61 (FCC Form 175). John Reardon was at all times employed by Mobex during 2005. The date of the Auction was August, 2005, the Asset Purchase Agreement was not approved by the FCC until November, 2005, and the Asset Purchase Agreement was not closed until December 30, 2005, and John Reardon was not employed by the Company until January, 2006. Therefore it was not necessary to include John Reardon in this filing.
- b. Maritime's Application for AMTS Licenses (FCC Form 601). Maritime's Auction No. 61 license application, FCC File No. 0002303355 was filed on September 7, 2005. John Reardon was never an officer of Maritime, and did not even become an employee of Maritime until January, 2006.
- 6. Identify all entities, if any, attributable to John Reardon as an officer of Maritime during the calendar years 2002, 2003, and 2004. Provide relevant documentation to demonstrate the aggregate gross revenues of each such entity, including but not limited to, each entity's Federal tax returns for the calendar years 2002, 2003, and 2004.

There was no entity attributable to John Reardon because he was not employed by Maritime until January, 2006. Neither Maritime nor John Reardon has the authority to disclose Mobex corporate tax records. After John Reardon left Mobex, it is a matter of FCC Record that Dave Predmore served as the Chief Administrative Officer of Mobex. In this capacity, Mr. Predmore made filings to the FCC, including for the Universal Service showing, and if the Commission needs this information, it would need to be obtained through him.

Maritime did not take over the corporate structure of Mobex. No tax returns were filed by Maritime for Mobex. Maritime filed no document with any state government on behalf of Mobex because Mobex was neither a subsidiary nor a sister entity of Maritime, and had no authority to do so.

Mr. Reardon does not exercise control over Maritime because he is not a shareholder and does not serve as an official officer, stockholder or Board Member, nor is he authorized to make major corporate or financial decisions of Maritime.

7. Identify Donald DePriest and describe fully his relationship to Maritime.

Donald DePriest is my husband of over 26 years. His ownership and role in Maritime is as stated in prior LOI Answer 8a, and as reiterated and supplemented here. Mr. DePriest has no ownership interest in Maritime. Nor has he served as an officer or director of Maritime. In Exhibit 1(vi), dated February 24, 2005, I designated him to serve as a manager/signer on behalf of Maritime. As was stated in 8c of the prior LOI answer, Mr. DePriest was the prior owner of a shell corporation named Communications Investments, Inc. He resigned as President and Director and transferred the stock of Communications Investments, Inc. to me on February 18, 2005. (See Letter of Resignation of Donald R. DePriest as President and Director of Communications Investments, Inc., attached as Exhibit 2(iv)). Effective February 18, 2005, Communications Investments, Inc. is and has been the General Partner of S/RJW Partnership, which is the Managing Member of Maritime.

Mr. DePriest is an authorized manager and authorized signer of documents on my behalf for Maritime. He is not an on-site manager, nor does he work in the office or devote any regular time to Maritime, but that role is handled by John Reardon. He has from time to time assisted in the negotiation of financing and contracts on behalf of Maritime, as enumerated hereafter to the best of our ability to reconstruct any and all contracts that he might have signed, and they are set forth hereafter in Question 8(b). He has also guaranteed loans made to Maritime.

- 8. In the Donald DePriest LOI Response (at page 10), he indicated that, among other things, he was authorized to enter into contracts on behalf of Maritime. Provide the following information:
  - (a) All documents granting Donald DePriest authority to enter into contracts on behalf of Maritime.
- (a) Documents granting Donald DePriest authority to enter into contracts on behalf of Maritime, would include:
  - The above mentioned Exhibit 1(vi), Corporate minutes dated February 24, 2005 in which I appointed Donald DePriest and Ron Fancher as Managers of Maritime.
  - 2. The Limited Liability Company Agreement, dated February 15, 2005, and attached as Exhibit 1(ii), which states in paragraph 6:

- "Donald R. DePriest is hereby designated as an authorized person and as manager to serve at the pleasure of the members, within the meaning of the Act, to execute, deliver and file the certificate of formation of the Company (and any amendments and/or restatements thereof) and any other certificates (and any amendments and/or restatements thereof) necessary for the Company to qualify to do business in a jurisdiction in which the Company may wish to conduct business."
- 3. In the Operating Agreement dated February 15, 2005, and attached as Exhibit 1(iii), in the paragraph entitled, "Management," it is stated, "The Initial Member shall manage the Company's business. Anyone authorized by the Initial Member may take any authorized action on behalf of the company."
- 4. A more expansive "Single-Member Operating Arrangement of Maritime Communications/Land Mobile, LLC Limited Liability Company State of Delaware," was also executed on February 15, 2005, and is attached as Exhibit 1(iv). It contains the identical language set forth in the preceding paragraph: Paragraph 9, "Management. The Initial Member shall manage the LLC, and shall have authority to take all necessary and proper actions to conduct the business of the LLC. Anyone authorized by the Initial Member may take any authorized action on behalf of the LLC."
  - 5. Minutes of a Meeting of Maritime on March 10, 2009, attached as Exhibit 1(x), authorize the opening of a bank account and "Donald R. DePriest, Manager," is one of three designated signatories on the account, along with me and Belinda Hudson.
  - 6. A Memorandum of Agreement was executed between Sandra DePriest and Donald R. DePriest on February 3, 2005, attached as Exhibit 1(v). It authorizes Mr. DePriest in Paragraph 6 "to sign documents before and after the formation of Maritime Communications/Land Mobile, LLC relative to the transaction, but he will have no corporate or other authority in the to be formed limited liability company, and may only sign as a manager, but not as a Managing Member or other officer of the to be formed limited liability company."
  - (b) A narrative description of each contract that Donald DePriest entered into on behalf of Maritime.
- (b) A narrative description of each contract that Donald DePriest entered into on behalf of Maritime is set forth in Exhibit 13.

9. In the Maritime LOI Response (at page 7), Maritime indicated that, among other things, Donald DePriest was authorized to serve as Sandra DePriest's agent and to assist her as necessary. Explain fully by what authority (whether verbal or written) Donald DePriest acted as an agent for Maritime and/or Sandra DePriest. Provide all documents authorizing Donald DePriest's appointment as an agent for Maritime and/or Sandra DePriest.

The written authority for Donald DePriest to serve as my agent is set forth in the above answers to Question 8(a). The documents authorizing Mr. DePriest to serve as an agent for Maritime and/or for me are set forth in the answers to question 8(a) 1-6. I believe that everything that Mr. DePriest has done would fall within the written authorization he has been given.

10. In the Maritime LOI Response (at page 7), Maritime indicated that, at Sandra DePriest's request, Donald DePriest guaranteed notes owed by Maritime. Explain fully by what authority (whether verbal or written) Donald DePriest guaranteed notes on behalf of Maritime. Provide a narrative description as well as a copy of each note guaranteed by Donald DePriest on behalf of Maritime.

Mr. DePriest had my verbal authority to guarantee notes owed by Maritime. However, I believe that he had that written power as well through his role as Manager of Maritime as set forth in the answers to question 8(a)1-6. A narrative description of the guaranteed notes is set forth and the notes are attached and labeled as Exhibits 8(1-18).

- II. In the Maritime LOI Response (at pages 3-6), Maritime provided a list of entities that it did not disclose in its application to participate in Auction No. 61 (FCC Form 175) and in subsequent filings with the Commission.
- (a) As to those entities that Maritime described as being in existence during the calendar years 2002, 2003, and 2004, but which Maritime described as having no revenues, provide relevant documentation to demonstrate the aggregate gross revenues of each such entity during the calendar years 2002, 2003, and 2004, including but not limited to, each entity's Federal tax returns for the calendar years 2002, 2003, and 2004.
  - 11.(a) Those entities that Maritime described in its LOI Response as having no revenues are set forth in Exhibit 9 (a) and the available tax returns are attached hereto.
- (b) As to those entities that Maritime described as being in existence during the calendar years 2002, 2003, and 2004, and which Maritime described as having revenues (namely Bravo Communications, Inc., Charisma Communications, Inc., Golden Triangle Radio, Inc., Medcom Development Corporation, Warpath Properties, Inc., and MariTEL, Inc.), provide relevant documentation to demonstrate the aggregate gross revenues of each such entity during the calendar
  - 11.(b) Those entities that Maritime described as being in existence and having

revenues are set forth in Exhibit 9(b) hereto.

### 12. Identify MCT Corp.

I have no first hand knowledge of MCT Corp. My husband, Donald DePriest, was involved in its formation in 2000, and served on its Board and as Non-Executive Chairman of the Board. I have not seen any of the corporate records, and I have no personal knowledge of the corporate structure. I must defer to Aric Holsinger's Declaration, Exhibit 10, and to the Declaration of Donald DePriest attached as Exhibit 11, as to all pertinent details as to its income and ownership. I know that it was sold to TeliaSonera in approximately 2007. I do not know the exact percentage of ownership of MCT Corp. held by Donald DePriest.

13. Our records indicate that Donald DePriest served as Chairman of MCT Corp. Our records further indicate that Maritime did not disclose MCT corp. in its application to participate in Auction No. 61 (FCC Form 175) and in subsequent filings with the Commission, including Maritime's LOI Response. Explain fully why Maritime did not disclose MCT Corp. in its application to participate in Auction No. 61 (FCC Form 175) and in subsequent filings with the Commission, including Maritime's LOI Response.

Maritime did not disclose MCT Corp. in its application to participate in Auction No. 61 (FCC Form 175) and in its subsequent filings with the FCC for the following reasons:

#### Auction No. 61 and in subsequent filings with the Commission:

Maritime relied on counsel to prepare and file the application and it did not receive any instructions regarding the bidding credit calculations or any information indicating that there would be spousal attribution of revenues. The instructions to FCC Form 175 do not explicitly reference rule 1.2110(c)(5)(iii)(A) or contain any warnings or instructions about spousal attribution. As to MCT and other entities with which Donald DePriest had a relationship, Maritime was unaware of its need to supply revenue information.

In its LOI Response. Maritime deferred in its response to Donald DePriest in his response, as having more direct information than I did. I thought the responses were a single collective response, and in fact, they were filed under a single cover letter from our attorney Dennis Brown. I stated in Answer 1. "Except as to the entities with which I am involved, I defer to Mr. DePriest's response to the letter of the same date directed to him." By this response, I intended to incorporate by reference his response into my response, and I thought his response would include a description of MCT. I apologize that this was not more clearly stated and I certainly did not intend to ignore the request. See the Declaration of Donald R. DePriest attached as Exhibit 11.

14. Provide relevant documentation to demonstrate the aggregate gross revenues of MCT Corp. during the calendar years 2002, 2003, and 2004, including but not limited to, its Federal tax returns for the calendar years 2002, 2003 and 2004.

The relevant documentation to demonstrate the aggregate gross revenues of MCT Corp. during calendar years 2002, 2003 and 2004 are set forth in Exhibit 12.

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15.To the extent not otherwise provided in response to the preceding Inquiries, provide any additional information that you believe may be helpful to our consideration and resolution of this matter.

At all times, it is and has been the intention of Maritime to comply with all FCC Rules and Regulations with all candor. Apparently there was a change in the way the FCC governed size standards for small businesses prior to Auction 61. Maritime was operating under the mistaken belief that SBA rules governed size standards for a small business pursuant to 13 CFR Section 121.104, and the size standards table in 13 CFR 121.20, and did not believe it had exceeded those standards.

When Maritime undertook this project, it was in good faith. We have tightened up our books and records and our Secretary of State filings and clarified the roles of each person involved. If it is deemed by the FCC to be inappropriate for Donald DePriest to serve as my manager and agent, then we will no longer have him serve as such. We have needed additional funds to maintain operations during the five years of litigation from Warren Havens both before the FCC and in order to prevail before the California Supreme Court and in the pending case in the State of New Jersey. Mr. DePriest has been helpful in assisting me in obtaining that financing. We have been unable to close vital transactions for the life and operations of Maritime and, as a result, have incurred substantial additional debt.

It has never been my intention to deceive or mislead the Commission. I am a licensed member of the Bar since 1979, and an ordained Episcopal Clergy person since 1999, serving as Vicar of a wonderfully active Mission Church here in Columbus, Mississippi. My character has never previously been questioned nor assaulted. I am one of the founders and the Chairman of the Board of Directors of the HEARTS After-School Tutoring Program which has been in operation for 8 years. I am the Corporate Secretary and one of the founders of the Loaves & Fishes Community Soup Kitchen of Columbus, Inc. I helped establish Bible Study Fellowship in Columbus, and it has continued for over 18 years. In 2008, I was awarded the MLK "I Have a Dream-Freedom and Justice Award," in our community.

The Commission's rules for character and fitness to be a licensee are aimed at ensuring that spectrum will be used for the public good.<sup>5</sup> The examination of character is thus not an end in itself, but is intended as a means to an end: will the licensee use the licenses in the public interest.

Over the past four years since the auction closed, Maritime has surely done that, and continues to do that: customers have included the New Jersey Turnpike Authority safety crews that deliver services to drivers along the NJ Turnpike and Garden State Parkway. Towboat and barge operators along over 3,000 miles of inland waterways have benefitted because Maritime is a licensee and operator. Other users include a school district in Washington State, helping to get students to school safely and on time with bus radios. Customers include several energy companies in Texas and Louisiana, delivering natural gas and oil, and utilities in Pennsylvania, Virginia and elsewhere, which are providing service to rural communities.

Havens' paperwork blockade has hindered additional use of the spectrum. Metrolink wants to use our spectrum for Positive Train Control. That application was filed on March 11, 2010. For the past 12 months, Big Rivers Electric Cooperative has sought FCC authority to serve hundreds of thousands of customers with our spectrum in Kentucky. The list goes on and on of customers who are waiting for the FCC to finally resolve this litigation against Maritime brought by Havens, and to also now resolve this inquiry involving Maritime. Character questions are aimed at promoting the delivery of service to customers in the public interest, Maritime is meeting the public interest, and would further serve the public interest if this cloud on its licenses and now its character, would be finally removed by the Commission.

Recently, the Commission released its Broadband Plan for America. In the Plan, the Commission calls for entrepreneurs to deploy spectrum creatively and for secondary

<sup>&</sup>lt;sup>5</sup> As the Commission has stated,

<sup>23.</sup> The key factor involved in the support of some commenters for a "conduct" as opposed to a "character" standard generally appears to be the desire for elimination of the morally-tinged decision-making of the past. However, establishing a dichotomy between "conduct" and "character" is not necessary to achievement of less value-laden decision-making. [FN25] The record developed herein clearly indicates that neither Sections 308(b) and 319(a) nor the public interest standard embodied in the Communications Act mandates the type of "good vs. bad/evil" treatment of "moral" character which sometimes colored past Commission deliberations. Focusing on the character traits necessary "to operate the station," as ABC suggests, seems a proper move in the direction of a more relevant, less value-laden character inquiry... [FN26] The "better way" to evaluate an applicant's future "reliability" than the sort of inquiries conducted in the past is generally identified by commenters addressing the issue as a narrowing of Commission concern to encompass only misconduct relevant to operation of broadcast stations. [FN27]. FCC 85-648 In the Matter of Policy Regarding Character Qualifications In Broadcast Licensing Amendment of Rules of Broadcast Practice and Procedure Relating to Written Responses to Commission Inquiries and the Making of Misrepresentations to the Commission by Permittees and Licensees, Gen. Docket No. 81-500, Docket No. 78-108, REPORT, ORDER AND POLICY STATEMENT Adopted: December 10, 1985; Released: January 14, 1986.

markets to play an increasing role in getting spectrum into use. MCLM was the first company to retain Spectrum Bridge as our broker and advisor. MCLM is aggressively deploying spectrum to the rail, utility and energy industries.

Of the four initial geographical area AMTS licensees (Maritime, Havens, Paging Systems, Inc., and Tom Kurian), Maritime is the entity deploying spectrum to the most users in the marketplace today, both directly to end users like towboats and taxi companies, and indirectly through sales and leases to railroads, utilities, and energy companies.

The FCC has stated that when it comes to character and fitness to be a licensee, the best predictor of future behavior is past performance. Here, the FCC has the benefit of seeing how Maritime has deployed the spectrum since acquiring the auction license issued December 29, 2006. Indeed, the FCC also has a long track record on which to base the experience of both my husband and me. The crucial test for character is how will the licensee deploy the spectrum, and will it be in the public interest? We, the DePriests, have deployed spectrum in the public interest for the past four decades. First, as broadcasters of radio broadcast stations in the Southeastern United States in the 1970's. Then, in the 1980's, as nascent cellular industry licensees. In the 1990's, we engaged in MMDS license re-purposing, and helped create what is today the backbone of the Sprint digital data network. In the 2000's, we became engaged in maritime communications through involvement with Maritime and MariTel, and continued our involvement in MMDS licensing.

At no time in the past forty years have we, the DePriests, been found to be lacking in character to be a licensee. It is this track record upon which the Commission can and should rely to see how we, the DePriests, will operate going forward.

The FCC ownership affiliation rules in 47 CFR 1.2110 are not black and white. The rule's examples themselves point out instances where a person may own less than a majority of stock but still be deemed in control, or not in control, based on circumstances to be determined on a *case-by-case* basis. Relying upon the advice of counsel, Maritime interpreted these subjective FCC affiliation rules to not require it to disclose ownership of

<sup>&</sup>lt;sup>6</sup> 26. The Commission further divided the discussion into consideration of the treatment to be afforded applications involving existing licensees as differentiated from the handling of filings from new applicants. We suggested that as to existing licensees, "the best predictor of future service is the applicant's past [broadcast] service". We questioned whether in forming our judgments as to how such applicants might perform in the future our licensing concerns should be limited to broadcast misconduct such as misrepresentation or lack of candor to the Commission, deception or defrauding of the broadcast public, abuse of broadcast facilities through fraudulent or anticompetitive commercial practices, and violations of the Communications Act or the Commission's rules and policies. See, FCC 85-648, In the Matter of Policy Regarding Character Qualifications in Broadcast Licensing Amendment of Rules of Broadcast Practice and Procedure Relating to Written Responses to Commission Inquiries and the Making of Misrepresentations to the Commission by Permittees and Licensees, Gen. Docket No. 81-500, Docket No. 78-108, REPORT, ORDER AND POLICY STATEMENT Adopted: December 10, 1985; Released: January 14, 1986.

certain entities. When questioned about this, Maritime has explained its reasons for its beliefs. If Maritime's interpretation of FCC rules turns out to differ from the FCC's view on a case by case basis, then Maritime, in good faith, has misinterpreted the complex rules of attribution in an auction bidding environment.

The Commission felt this way about the spousal attribution rule, and Maritime repaid part of the bid credit, as the Commission requested. Maritime reiterates its commitment to fully cooperate to assist the Commission in reaching a determination in this instant matter, and we re-affirm our willingness to meet with the Commission and other interested parties at any time to help resolve these matters.

Sincerely yours,

The Rev. Sandra M. DePriest+

## Exhibit List for Maritime Communications/Land Mobile, LLC

- Exhibit 1. Corporate Documents of Maritime Communications/Land Mobile, LLC:
  - Exhibit 1(i): Certificate of Formation of Maritime Communications/Land Mobile, LLC, dated Feb. 15, 2005.
    - (ii): Limited Liability Company Agreement of
    - Maritime Communications/Land Mobile, LLC
    - (iii): Operating Agreement of Maritime Communications/Land Mobile, LLC dated Feb. 15, 2005
    - (iv): Single-Member Operating Arrangement of Maritime Communications/Land Mobile, LLC Limited Liability Company State of Delaware, dated Feb. 15, 2005 (Executed prior to determination there would possibly be additional members.)
    - (v): Memorandum of Agreement dated February 3, 2005 between S/RJW Partnership, the Managing Member of Maritime and Donald R. DePriest.
      - (vi): Minutes of Meeting of Maritime Communications/ Land Mobile, LLC, dated February 24, 2005.
    - (vii): Action on Written Consent by the Sole Member of Maritime Communications/Land Mobile, LLC dated August 25, 2005.
      - (viii): Minutes of Meeting of Maritime Communications/ Land Mobile, LLC dated Jan. 6, 2006.
      - (ix): Minutes of Meeting of Maritime Communications/ Land Mobile, LLC dated January 9, 2006.
      - (x): Minutes of Meeting of Maritime Communications/ Land Mobile, LLC, dated March 10, 2009.
- Exhibit 2. (i) November 21, 2002 State of Delaware Certificate of Limited Partnership of S/RJW Partnership, L.P.
  - (ii) February 15, 2005 State of Delaware Amendment to the Certificate of Partnership of S/RJW Partnership, L.P. filed August 25, 2005.
  - (iii) February 18, 2005 State of Delaware Amendment to the Certificate of Limited Partnership of S/RJW in Corporate files. (Same as Exhibit 5 of LOI Response)
  - (iv) February 18, 2005 Letter from Donald R. DePriest to

Communications Investments, Inc., resigning as President and Director of Communications Investments, Inc.

- (v) February 18, 2005 Resolution of the Board of Directors of Communications Investments, Inc. acknowledging that the Corporation has succeeded Medcom Development Corporation as General Partner of S/RJW Partnership, L.P.
- (vi) August 25, 2005 Minutes of Meeting of Communications Investments, Inc. authorizing Ioan agreement with Pinnacle National Bank.
- Exhibit 3. Corporate documents retrieved from Gary Geeslin March 16, 2010.
- Exhibit 4. Declaration of Dave Predmore as to the Employment dates of John Reardon with Mobex Communications, Inc., and Mobex Network Services, LLC.
- Exhibit 5. Asset Purchase Agreement between Mobex and Maritime Communications/Land Mobile, LLC, dated December 30, 2005.
- Exhibit 6. (a) Employment Agreement between John Reardon and Maritime and Critical RF, Inc. dated September 18, 2006.
  (b) Amended Employment Agreement between John Reardon and Maritime and Critical RF, Inc. dated May 28, 2008.
- Exhibit 7. List of Warrants
- Exhibit 8 List and Copies of Maritime Notes Guaranteed by Donald R. DePriest.
- Exhibit 9. (a) List and copies of available tax returns for those entities stated to have had no revenues during the calendar years 2002, 2003, and 2004:
  - (b) List and copies of available tax returns for those entities stated as having revenues:
- **EXHIBIT 10.** Declaration of Aric Holsinger
- EXHIBIT 11. Declaration of Donald R. DePriest
- **EXHIBIT 12.** Revenues of MCT Corp.
- **EXHIBIT 13**. A Narrative Description of each contract entered into on behalf of Maritime.

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#### DECLARATION

I declare under penalty of perjury that the foregoing is true and correct. I have personal knowledge of the representations provided in my response. I verify the truth and accuracy of the information therein and that all of the documents and information requested by the Commission's letter of inquiry which are in my possession, custody, control or knowledge have been produced.

Executed on March 2010.

# **CERTIFICATE OF SERVICE**

I hereby certify that on this twenty-ninth day of March, 2010, I served a copy of the foregoing Response on each of the following persons by placing a copy in the United States Mail, first-class postage prepaid:

Donald R. DePriest\*
Maritime Communications/Land Mobile, LLC
206 North 8th Street
Columbus, Mississippi 39701

Russell Fox, Esq. Mintz, Levin, Ferris, Glovsky and Popeo, P.C. 701 Pennsylvania Avenue, NW, Suite 900 Washington, DC 20004

Warren C. Havens 2649 Benvenue Avenue, #2-6 Berkeley, California 94704

\* by hand

Dennis C. Brown